

## Message Text

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67

ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 ACDA-19 IO-14 DRC-01

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 SCEM-02 SCI-06 /204 W

----- 077705

O R 081414Z DEC 73

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC IMMEDIATE 8253

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMCONSULDHAHRAN

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

USMISSION OECD PARIS

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BEIRUT PASS BAGHDAD

E.O. 11652: N/A

TAGS: PINT, ENRG KU

SUBJECT: DRAFT OIL NATIONALIZATION OAW TO BE DEBATED IN NATIONAL  
ASSEMBLY

REF: KUWAIT 4244

SUMMARY: NATIONAL ASSEMBLY APPROVED FOR DEBATE DRAFT LAW PROPOSED  
BY SEVERAL NATIONAL ASSEMBLY DEPUTIES CALLING FOR NATIONALIZATION  
OIL COMPANIES HERE. THIS LATEST AND MOST DRAMATIC EXAMPLE RADICAL-  
ZATION LEGISLATURE OVER STATUS OIL COMPANIES BUT ACTION TAKEN SO  
FAR DOES NOT RPT NOT HAVE FORCE OF LAW. AS OF NOW OIL COMPANIES  
HAVE NOT RPT NOT BEEN NATIONALIZED. END SUMMARY

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1. SEVERAL NATIONAL ASSEMBLY DEPUTIES PROPOSED DRAFT LAW NATIONALIZING OIL COMPANIES OPERATING IN KUWAIT AT DECEMBER 8 SESSION. FOLLOWING IS BEST TEXT WE ABLE TO OBTAIN TODAY: "ARTICLE 1 - ALL OIL COMPANIES OPERATING IN KUWAIT AT THE TIME THIS LAW COMES INTO FORCE SHALL BE ENTIRELY NATIONALIZED AND THE STATE SHALL PAY TO THE OWNERS OF THESE COMPANIES JUST COMPENSATION FOR THEIR RIGHTS. ARTICLE 2 - THE PRIME MINISTER AND THE MINISTERS EACH WITHIN HIS OWN JURISDICTION SHALL IMPLEMENT THIS LAW WHICH SHALL HAVE EFFECT AS OF THE TIME IT IS PUBLISHED IN THE OFFICIAL GAZETTE."

2. ASSEMBLY APPROVED DRAFT LAW WHICH IS TO SAY IT AGREED TO HAVE DRAFT LAW DEBATED IN NATIONAL ASSEMBLY. IT APPEARS THAT DRAFT LAW HAS BEEN SUBMITTED TO FINANCE AND OIL COMMITTEE AND FULL DEBATE WILL TAKE PLACE DECEMBER 15. IF NATIONAL ASSEMBLY EVENTUALLY FINAL APPROVES, DRAFT LAW WILL GO TO GOK COUNCIL OF MINISTERS FOR APPROVAL. GOK ON RECORD OPPOSING NATIONALIZATION AND COULD VETO NATIONAL ASSEMBLY LAW IF IT CHOOSES DO SO.

3. COMMENT: ASSEMBLY TEXT AND PROCEDURES NOT COMPLETELY CLEAR AND WE SHALL SUBMIT FOLLOW-UP REPORT ASAP. ASSEMBLY ACTION COMES AT TIME GOK-KOC PARTICIPATION NEGOTIATIONS UNDER REVIEW AND UNDOUBTEDLY WILL ADD TO PRESSURES ON GOK TO COME UP WITH AGREEMENT WHICH NATIONAL ASSEMBLY WILL ACCEPT BUT WHICH LIKELY GO WELL BEYOND AGREEMENTS ELSEWHERE IN GULF. ASSEMBLY ACTIONZAPDQTATEST AND MOST DRAMATIC EXAMPLE GROWING RADICALIZATION IN THAT BODY ON OIL ISSUES; SPONSORS OF LAW WERE CONSERVATIVES AND NOT LEFTISTS. WISH STRESS, HOWEVER, THAT DECEMBER 8 ACTION DOES NOT RPT NOT HAVE FORCE OF LAW AND COMPANIES ARE NOT, AS OF NOW, NATIONALIZED.  
STOLTZFUS

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**TAGS:** PINT, ENRG, KU  
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